

*Periodic Report on the National Emergency  
with respect to Significant Narcotics Traffickers  
Centered in Colombia*

I hereby report to the Congress on developments over the course of the past six months concerning the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and Executive Order 13313 of July 31, 2003. Sanctions imposed against significant narcotics traffickers centered in Colombia ("SDNTs") pursuant to Executive Order 12978 are separate from, and independent of, sanctions imposed pursuant to the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908; 8 U.S.C. 1182).

1. On March 27, 2003, the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), in consultation with the Departments of Justice, State, and Homeland Security, designated two Cali drug cartel leaders as SDNT principal individuals. OFAC also added 28 businesses and 28 associated individuals in Colombia that were determined to be acting as fronts for the two newly designated Cali cartel leaders. During this reporting period, OFAC blocked, pending investigation, the property and interests in property of an additional five businesses and one individual associated with the Cali cartel.

Persons or entities with whom financial and business dealings are prohibited and whose assets are blocked under Executive Order 12978 now total 830, comprised of 14 principals, 345 entities, and 471 individuals from Colombia's Cali, North

Valle, and North Coast drug cartels. The narcotics trafficking sanctions continue to have a significant adverse impact on the operation of these cartels. The SDNT list will continue to be expanded to include additional Colombian drug trafficking organizations and their fronts, as appropriate.


2. As of September 25, 2003, OFAC had issued nine licenses during the current reporting period. Four licenses authorized the receipt of legal fees and costs in connection with the provision of legal services; one license authorized the collection of a legitimate debt owed to a U.S. company by an SDNT and incurred prior to the designation of the SDNT; and four licenses authorized the release of blocked funds following a determination that there was no property interest of an SDNT involved.

3. During this reporting period, as of September 25, 2003, U.S. banks blocked more than 50 financial transactions and additional accounts involving SDNT-related assets, totaling more than \$185,000. OFAC has continued to disseminate and update details of this program to the financial, securities, and international trade communities by both electronic and conventional media. This included close to 20,000 emails to Listserv subscribers to OFAC's website and bulletins to banking institutions via the Federal Reserve System and the Clearing House Interbank Payments System (CHIPS). The same material was also provided to the U.S. Embassy in Bogota for distribution to U.S. companies operating in Colombia.

4. On April 30, 2003, OFAC issued blocking notices to state and local offices in Florida for real estate and an automobile owned by an SDNT designated on March 27, 2003. Various transactions remain under review by OFAC.

5. The expenses incurred by the Federal Government in the six-month period from April 21, through October 20, 2003, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to SDNTs are estimated at approximately \$1.44 million. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control and the Office of the General Counsel), the Bureau of Customs and Border Protection at the Department of Homeland Security, the Department of Justice, and the Department of State. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

6. Executive Order 12978 provides the Government of the United States with an effective tool for combating the actions of significant narcotics traffickers centered in Colombia and the unparalleled violence, corruption, and harm that such actions cause in the United States and abroad. The magnitude and the dimension of the narcotics trafficking in Colombia -- perhaps the most pivotal country of all in terms of the world's cocaine trade -- are extremely grave. I shall continue to report periodically to the Congress on significant developments as required by law.

  
John W. Snow

Department of the Treasury

October 10, 2003